



# DEFENSE LOGISTICS AGENCY

AMERICA'S COMBAT LOGISTICS SUPPORT AGENCY



## DCMA On Time Delivery: Procedures & Business Rules

20 April 2016



# OTD Performance Indicator

- % Schedules On-Time (rate percentage) that measures the supplier's ability to deliver products prior to or on the contractually required delivery date.
  - Timeliness
  - Quality
  - Quantity
- On-Time = Completed Schedule: Delivery Schedule Quantity Shipped (DSQS), *less allowable Delivery Schedule Quantity Variance Under*, is greater than or equals the total Delivery Schedule Quantity Due (DSQD)
- Contractually Required Delivery Date = Contractor Responsibility Date or KRR
- *Metric is at the schedule level for DCMA Administered Contracts only (in MOCAS)*



# Contractor Responsibility Date (KRR)

- The original contractually required delivery date, as adjusted, ignoring any modification resulting from supplier caused delays.
- KRR is adjusted for Government Caused Delays.
  - DCMA adjusts for PCO Mods (ODO) - Pay office SL4701
  - DFAS adjusts for PCO Mods (MOCAS Paid)
  - KRR determines total population for the number of schedules due in the “Month of Performance”



# OTD “Population”

- In the past, DLA Performance Based Agreement (PBA) filtered DCMA administered contracts further to those with Surveillance Criticality Designator (SCD) A&B, Production Surveillance Code (PSC) 1, 2 & 4 (A DCMA Risk Management Code) and eliminates Contract Kind 0, 6, & 7 (Facilities, Service, or Other) and Contract Types Y or Z (Time & Material and Hours).
- *However, DCMA monthly OTD reporting for DLA AV (per DLA AV Leadership request) does not include any SCD, PSC, Type & Kind filters or elimination to maximize volume of DCMA administered contract schedules and delivery activity - likely showing roughly 75%-80% of activity without filters vice 30-35% with.*



# OTD Monthly Calculation

- Data is pulled the 6<sup>th</sup> calendar day of the month following the Period of Performance measurement month - Why? - allows for end of month delivery acceptance data to enter into WAWF/MOCAS processing cycle.

- Computation: Monthly performance =

$$\frac{[\text{total On Time schedules for the month}]}{[\text{total Schedules Due for the month}]} \times 100$$

- Notes:
  - “Quantity Delivered” for DCMA is Quantity “Accepted” by QAR at I/A
  - Schedule delivered [early is On-Time](#), but held in MOCAS data base until KRR month of performance - that is the month the schedule shows up in the population of Schedules Due and Schedules On-Time.



# Partial Deliveries

- So how is OTD like my mortgage payment?





# By the Numbers

- Example of how it works: “LINE” broken into schedules - CLIN 0001 (Total of 50 each) broken down into 5 SCHEDULES (5 Delivery Schedules of 10 each due each month between June and October):

<u>Due</u>	<u>DSQD (MOCAS)</u>		<u>DSQS (MOCAS)</u>		<u>On-Time (Y/N)</u>
Jun	10	(10)	9	(9)	No
Jul 10	(20)	10	(19)		No; Still in arrears from prior month
Aug	10	(30)	10	(29)	No; Still in arrears from prior month
Sep	10	(40)	11	(40)	Yes; Schedules in arrears now complete
Oct	10	(50)	10	(50)	Yes

- MOCAS assigns DSQS to prior “incomplete” schedules – supplier cannot remain in arrears in Quantity Due without OTD consequence, otherwise, what is incentive to remedy a delinquent quantity? .....otherwise Single CLIN with single KRR is

a single schedule and must be “complete” in of itself (Single Bucket Fill)



# Performance Standard

- 80% of schedules will be delivered on time – per the previous DCMA & DLA Performance Based Agreement (PBA)
  - Green = 100% - 80%
  - Yellow = 79% - 69%
  - Red = 68% or less
- Tracking at DLA AV is slightly different:
  - 80% + = Green
  - 75% to 79% = Yellow
  - Below 75% = “AT RISK” – requires closer examination of root causes – also ties into “DCMA 500+” supplier effort – focus on habitual/trending “at risk” suppliers – Rolling 12 Month OTD below 70% for a CAGE = Target for Root Cause & Corrective Action processes





# Other OTD Issues (1 of 2)

- “Paper” Delinquencies: Items that have been “accepted” by DCMA and shipped out by supplier, however, MOCAS/WAWF “mismatches” have not been remedied - results in MOCAS showing shipment as NOT COMPLETE.
  - Typically generated by errors in receiving report that do not match the order data that is input by QAR during receipt and input to WAWF. Mismatched ‘Ship To’ information is biggest issue.
  - Can be a result of administrative corrections and changes that have not been corrected by a proper MOD or the MOD has not been submitted/input in a timely manner to correct by the OTD

## DCMA MOCAS “SEVEN CRITICAL FIELDS”

DEFENSE CONTRACT MANAGEMENT AGENCY

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CT3510          SUPPLY SCHEDULE DATA RECORD
CBUD:
PIIN: FA8206 07 C0001  SPIIN: 0033  CAO-ORG-CD:  RGS-CD:
CLIN-ELIN: AB6H          SHP-TO: DTK002
MK-FOR: DTK000          DLSCHDT-IND:
DLVY-SCH-DT: 12 09 16   HMO-AMD-SEX: DTKC5491175115
SCH-QTY-IND:           DLV-SCH-QTY:
CLISUB-XHIB:           TRANS-PRI-CD:
ACRN:
```

- To be accepted in MOCAS, a DD-250 must match these seven control fields in the MOCAS. If not, it will result in a DD-250 error.
  - PIIN (contract number)
  - SPIIN (delivery order)
  - CLIN-ELIN
  - SHIP TO
  - MARK FOR
  - MILSTRIP
  - CLIN coded as “supply” or “service” in MOCAS – indicated by either Delivery Schedule Date or Service Completion Date



# Other OTD Issues (2 of 2)

FAT: FAT or FAT related items are a scheduled delivery and are included in OTD data. For DLA AV, the OTD rate runs around 35% for these items – typically causes a “ripple” effect on future schedules if not closely managed, monitored, or corrected:

## OTD Drivers:

- *Subsequent dates on order for Production lots and future schedules not being changed by MOD as PCO awaits expected completion data of FAT from ESA.*
- *“Stacked” orders with FAT requirements when first FAT has not been reconciled – failure to MOD (cancel) subsequent FAT requirements*



# Primary Recurring Root Causes

- Supply Chain Management (Prime to Sub)
- MODs
- First Article Testing & FAT Data/Reports.....they are schedules!
- Unrealistic Contract Delivery Dates (PLT), but bids without exception
- Technical Data Deficiencies
- Tooling
- Material Availability (Vendor to Prime)
- Poor Production Planning
- Overextended Contractors (Bid despite capacity)
- Parts for ageing fleets past expected life-cycle - rare or difficult to manufacture



# Steps That Can Improve OTD

- Contract accuracy – reduce need for MODs
- Bids within supplier capacity
- Management of sub-contractors & suppliers – their performance is reflected in “prime” OTD CAGE performance
- Improved production management – efficient use of resources
- Bottom Line: IAW the specifics of the contract YOU signed, get the right thing (NSN), in the right quantity, of the required quality into the government’s hands (QAR for DCMA administered) by the date the contract/order says.....then all is well !!!



# Contact Info

Kim Henderson  
Contract Specialist  
DCMA-Ops Directorate Sustainment  
Sector  
[Kim.Henderson@dcma.mil](mailto:Kim.Henderson@dcma.mil)

Bart D. Stewart  
Operations Research Analyst  
DCMA-Ops Directorate Sustainment  
Sector  
[Bart.Stewart@dcma.mil](mailto:Bart.Stewart@dcma.mil)

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